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**MEMORANDUM
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WUC

TO: Docket Control Center

2009 JUN 17 A 10: 22

FROM: Ernest G. Johnson
Director
Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN 17 2009

DOCKETED BY	<i>[Signature]</i>
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DATE: June 17, 2009

RE: OAK CREEK UTILITY CORPORATION - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINES (DOCKET NOS. WS-02061A-04-0835 AND WS-02061A-04-0836)

In Decision No. 67986, dated July 20, 2005, the Arizona Corporation Commission ("Commission") approved the application of Oak Creek Utility Corporation ("Oak Creek" or "Company") for an extension of its Certificate of Convenience and Necessity. In issuing its decision, the Commission ordered that the Company develop additional storage and provide a filing relating to the subsequent Arizona Department of Environmental Quality ("ADEQ") Approval of Construction ("AOC").

Specifically, Decision No. 67986 ordered that Oak Creek shall:

"complete the 10,000 gallon storage tank project within 18 months after the effective date of this Decision, and the Company shall file the ADEQ Approval of Construction within 18 months of the effective date of the Decision."

Based on the July 20, 2005 date of Decision No. 67986, the original Commission due date on the above items was on or about January 20, 2007.

On October 2, 2006, due to the timeframe required to obtain Water Infrastructure Finance Authority ("WIFA") financing approval, Oak Creek filed a motion for an extension of time to complete construction of the 10,000 gallon storage tank. On October 25, 2006, Staff filed a memorandum recommending a four-month extension of time until May 31, 2007, on the above item. Via a Procedural Order dated November 17, 2006, the Commission granted the extension of time until May 31, 2007.

On January 31, 2007, Oak Creek filed a second motion in which it sought an additional one-year extension of time to comply with the storage tank requirement. According to the filing, this second motion was filed due to re-evaluation of the property size and funding amount necessary to complete the construction. Staff filed a memorandum on April 4, 2007, recommending approval of the requested one-year extension of time. Via a Procedural Order dated November 17, 2006, the Commission granted the extension of time May 31, 2008.

On May 19, 2008, Oak Creek filed a third motion for extension of time. The third motion requested an additional one-year extension of until May 31, 2009. The application stated that the project had been reconfigured by ADEQ and delayed due to the need for specialized engineering services. On August 6, 2008, the Commission issued Decision No. 70451 which granted an additional one year extension of time until May 31, 2009.

On April 17, 2009, Oak Creek filed a fourth motion for extension of time. The Company states delays with Coconino County permit applications as well as delayed permission from legal owner of Lot 73a, Mr. Scott Gray, to sign off on any improvements. The Company states that it sent a letter to Mr. Gray explaining the situation but did not receive a response for nearly four months. Oak Creek further states that it had lost contractors that were scoping the job and have now run short of time to complete the project by the May 31, 2009 deadline.

Staff contacted Ms. Dixie Potter to inquire if Oak Creek had a more specific time frame for completion. Ms. Potter replied that Mr. Scott Gray was still holding up the process by not timely signing the needed variances and permits needed for Oak Creek to continue with the project.

On June 16, 2009, Staff spoke with Mr. Scott Gray concerning this issue. Mr. Gray stated that he thought that he had provided everything needed to the Company months ago. He further stated that he had not been contacted by anyone from Oak Creek concerning anything further in this matter. Mr. Gray specifically stated that he understands the complexities and issues of a small water utility such as Oak Creek and that he has been and would continue to be more than helpful in resolving the situation.

Based on the application and all of the above, Staff is concerned with the Company's fourth request for an additional extension of time to comply with the AOC required in Decision No. 67986. Staff recommends that the Commission only extend the due date for the 10,000 gallon storage tank project until July 31, 2009. Staff again recommends that no further time extensions be granted in this matter.

EGJ:KDB:lhbm

Originator: Kimberly Battista

SERVICE LIST FOR:
DOCKET NOS.

OAK CREEK UTILITY CORPORATION
WS-02061A-04-0835 and WS-02061A-04-0836

Ms. Dixie R. Potter
President
Oak Creek Utility Corporation
771 Skipjack Drive
Henderson, Nevada 89015

Mr. Richard L. Sallquist
Sallquist & Drummond
430 East Missouri, Suite B-125
Phoenix, Arizona 85014
Attorneys for Oak Creek Utility Corporation

Mr. David Peck
Post Office Box 1354
Sedona, Arizona 86339

Mr. Scott Gray
Diversified Water Utilities
4700 E. Thomas Rd., Ste. 203
Phoenix, AZ 85018-7703

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Janice M. Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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Oak Creek Utility Corporation
771 Skipjack Drive
Henderson, NV 89015
702-568-1321
oakcreekaz@gmail.com

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AZ CORP COMMISSION
DOCKET CONTROL

April 17, 2009

Mr. Brian Bozzo
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

WS-02061A-04-0835
WS-02061A-04-0836
DECISION #67986

RE: OAK CREEK UTILITY CORPORATION REQUEST FOR ADDITIONAL TIME
TO COMPLY WITH REQUIREMENTS OF DECISION NO. 67986, DOCKET NOS.
WS-02061A-04-0836 AND WS-02061A-04-0835

Dear Mr. Bozzo,

Oak Creek Utility Corporation (OCUC) is requesting an additional one year time extension to comply with Decision No. 67986 for construction of a 10,000 gallon tank ordered to be completed by May 31, 2009.

OCUC has met two times with Coconino County (County) to discuss procedures for a public meeting and applications for construction (Conditional Use Permit and Design Review Overlay) to be able to start construction of 10,000 gallon tank on Lot 73a in Twin Springs Terrace Mobile Home Park. The location for the well and tank does not comply with County set-back regulations.

Now that this construction of the 10,000 gallon tank is scoped for Lot 73a and not 73b as original loan was intended, OCUC has been required to get signatures and permission from legal owner of Lot 73a, Mr. Scott Gray, to sign off on any improvements, construction, etc. before continuing. On November 19, 2008 a letter was sent with both applications for Coconino County, a letter explaining to Scott Gray about the construction and why we needed his approval, and a returned stamped envelope for his convenience. OCUC as well as our engineer Karl Tobin from Arizona Engineering Company contacted Mr. Gray numerous times by telephone, email, and by mail with maps, scope of work, and packets of information for Mr. Gray's review. OCUC never received any response from Mr. Gray with the returned forms for approximately four months. OCUC had lost contractors that were scoping the job and have now run short of time for completion date of May 31, 2009.

OCUC has every intention of complying with Decision No. 67986, but desperately needs at least an additional year to achieve this construction in a professional manner.

Arizona Corporation Commission

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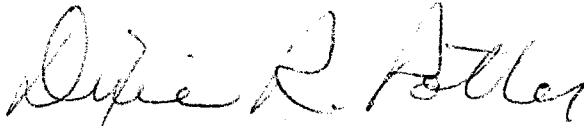
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Due to the change of owners, change of location for the 10,000 tank, additional funds needed for project not foreseen by previous owner, County meetings and community meetings, and untimely cooperation from owner, Mr. Scott Gray, OCUC respectfully submits this extension request and greatly appreciates any consideration we may be given.

Please feel free to contact OCUC if any additional information is required.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dixie R. Potter".

Dixie R. Potter, President